

ASSEMBLY BILL

No. 550

Introduced by Assembly Member Diaz

February 18, 2003

An act to add Sections 66024.5, 66024.7, and 66024.9 to, and to add the heading of Article 3.5 (commencing with Section 66024.5) to Chapter 2 of Part 40 of, the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 550, as introduced, Diaz. Public postsecondary education: mandatory systemwide resident student fee policy.

Existing law, known as the Donahoe Higher Education Act, provides for a public postsecondary education system in this state. This system consists of the University of California, the California State University, and the California Community Colleges. Existing law authorizes these institutions to require that mandatory systemwide fees, among other fees, be paid by students at these institutions. The provisions of the Donahoe Act apply to the University of California only to the extent that the Regents of the University of California act by resolution to make them applicable.

This bill would provide that the Regents of the University of California and the Trustees of the California State University bear the primary responsibility for adjusting mandatory systemwide resident student fees at their respective systems. The bill would require these universities to develop methodologies for the adjustment of fees in accordance with a prescribed procedure.

This bill would require the trustees, and would request the regents, to establish a Student Fee Advisory Committee in each of their

respective systems. The bill would prescribe the membership of these committees. The bill would authorize the trustees and the regents to approve mandatory systemwide student fee increases for their respective systems, but only with the prior approval of the appropriate Student Fee Advisory Committee. The bill would provide that this provision applies only to resident students, as defined.

This bill would not become operative unless and until the regents certify, no more than one year after this act is chaptered, to the Secretary of State that they have adopted a resolution that makes this bill applicable to the University of California.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Article 3.5 (commencing with
2 Section 66024.5) is added to Chapter 2 of Part 40 of the Education
3 Code, to read:

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5 Article 3.5. Student Fee Policy

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7 SEC. 2. Section 66024.5 is added to the Education Code, to
8 read:

9 66024.5. (a) The Legislature finds and declares all of the
10 following:

11 (1) The determination of student fee levels, together with the
12 determination of the level of state resources that are available,
13 directly impacts issues such as instructional quality, student
14 access, and student financial aid.

15 (2) The state has long recognized the value of providing broad
16 access to postsecondary education to the state's citizens. It has
17 demonstrated that commitment by investing in postsecondary
18 education and maintaining public student fee levels that are
19 fiscally responsible and as low as possible. The student fee
20 principles expressed in this section seek to continue the state's
21 historic commitment to ensuring access and maintaining quality
22 throughout the state's public universities while recognizing the
23 fiscal challenges that confront both the state and postsecondary
24 education.



(3) Historically, the state has borne the preponderance of responsibility for providing the fiscal resources necessary to ensure that all eligible state residents have access to high-quality educational opportunities at the state's public colleges and universities. Further, the state bears the principal and overarching responsibility for ensuring that all financially needy students have the financial assistance necessary for them to enroll in institutions of higher education and complete their postsecondary education objectives.

(4) Changes in resident student fees or in student financial aid funding or packaging policies should take into consideration the total cost to the student of attending the university, including mandatory campus-based student fees, housing and living expenses, as well as all other expenses associated with university attendance.

(5) The principles set forth in this section, which are related to student fees at the state's public universities, are based upon the state assuming and providing the resources associated with these state-identified responsibilities and issues.

(b) It is, therefore, the intent of the Legislature to accomplish all of the following:

(1) Establish a consistent fee policy for postsecondary education that grants the Regents of the University of California and the Trustees of the California State University authority over the assessment of these fees, while mandating consultations with students and an advisory vote of students when fee increases are considered.

(2) Establish the following state policies regarding mandatory systemwide resident fees and financial aid for students enrolled in the state's public universities:

(A) The total cost of a public postsecondary education should be a shared responsibility of students, families, and the State of California. However, in order to keep resident undergraduate student fees at the state's public universities as low and affordable as possible, the state shall bear the preponderance of responsibility for funding postsecondary education.

(B) So that students and their families can better prepare financially for college expenses, any changes in resident student fees should be gradual, moderate, and predictable. Any potential adjustments in resident student fees should take into consideration,

1 and be balanced with, available state General Fund revenues to
2 ensure that the access, quality, and affordability of the state's
3 public universities are not adversely affected.

4 (C) Changes in resident student fees should take into
5 consideration both the total cost of educating a student as well as
6 published indices reflecting families' ability to pay, such as the
7 percentage change in per capita personal income. Recognition of
8 these indicators will better ensure that changes in resident student
9 fees are gradual and moderate.

10 (D) As changes in resident student fees and financial aid
11 resources are considered, the state should have an understanding
12 of the impact that these changes will have on both current and
13 prospective students. Efforts should be employed to mitigate any
14 negative impact on financially needy students.

15 (E) To the extent that budget decisions are made in a timely
16 manner, adequate advance notice should be provided to students
17 regarding future student fees, thereby allowing them and their
18 families greater time to prepare for the fees to be assessed.

19 (F) In order to ensure that access is not precluded for any
20 eligible student, but particularly financially needy students, all
21 current and prospective students should be provided with timely
22 information concerning student financial aid, including the
23 processes associated with applying for and obtaining student
24 financial assistance.

25 (G) Students enrolled in graduate and professional programs
26 that provide the prospect of significant personal economic returns
27 may be subject to higher student fees. The regents and the trustees
28 should provide a rationale for any differential student fees to be
29 levied upon any cohort of graduate or professional school students.

30 (H) Student fee and financial aid policies should encourage and
31 promote a student's timely completion of the requirements
32 necessary for degree attainment.

33 (I) To ensure that financially needy students are provided with
34 assistance in managing the total cost of their university attendance,
35 financial aid programs, including institutional aid, should be
36 aligned with the distinct financial needs of the systems' student
37 populations and student fee levels.

38 (J) Revenues derived from student fees should remain within
39 the respective university system's budget in order to provide
40 benefits to the students enrolled within the system.



SEC. 3. Section 66024.7 is added to the Education Code, to read:

66024.7. (a) The Regents of the University of California and the Trustees of the California State University shall bear the primary responsibility for adjusting mandatory systemwide resident student fees at their respective systems.

(b) To carry out the responsibilities of this section, the regents and the trustees shall each develop a rational and transparent methodology for adjusting mandatory systemwide resident student fees consistent with the student fee policy principles set forth in Section 66024.5. These methodologies shall be developed in consultation with appropriate student representatives and, once developed, shall be formally adopted by the regents and the trustees, respectively, in open public meetings.

(c) In adopting a methodology, each system shall take into consideration the impact that the methodology and its resulting outcome will have on students and the quality of the system. At a minimum, each system shall pay careful attention to the impact that the proposed methodology has on financially needy and underrepresented students, average time to degree completion, and the total cost to the student of obtaining a degree. To the extent that either system recognizes that the proposed methodology will have a negative impact, the system shall include a plan for mitigating that impact. Each system shall annually report to the Governor, the Legislature, and the California Postsecondary Education Commission concerning its analysis of the impact associated with implementation of its student fee methodology.

(d) (1) Employing the methodologies adopted under this section, the regents and the trustees shall annually propose an adjustment in the level of their respective mandatory systemwide resident student fees. The regents and trustees may not assume that State General Fund resources will be made available to backfill for any proposed changes in student fee levels.

(2) With respect to fees proposed to be paid by students who are residents within the meaning of Section 68017, the governing body is required to receive the approval of any proposed fee increase from the appropriate Student Fee Advisory Committee under Section 66024.9 before proceeding further. The proposed adjustments in student fees shall be discussed and acted upon by each system's governing body in an open public meeting.

1 Consistent with the state's open meeting law provisions, each
2 system's governing body shall provide an opportunity for
3 interested constituents to comment on the proposed changes in
4 student fees.

5 (e) The regents and the trustees shall discuss, and act upon, any
6 proposed changes in student fees by no later than each November
7 30 in order for those fees to take effect the academic term
8 commencing after July 1 of the following calendar year. Following
9 the governing body's action, each system shall employ appropriate
10 procedures to notify students of the proposed changes in student
11 fees. The Legislature finds and declares that this advance
12 notification will enable students and their families to better plan
13 financially.

14 (f) The Legislature finds and declares both of the following:

15 (1) The Governor and Legislature should recognize the
16 responsibility assigned to the segments under this article, and
17 allow student fees to increase or decrease in a manner consistent
18 with the respective methodologies adopted by the regents and the
19 trustees.

20 (2) To the extent that the Governor or Legislature identify
21 additional State General Fund resources to provide to higher
22 education, they are encouraged to examine the overall fiscal needs
23 of the state's public colleges and universities and provide state
24 revenues to assist the universities in meeting their ongoing
25 operational needs, rather than using limited state revenues to
26 backfill for proposed changes in fee levels.

27 (g) If, following enactment of the annual Budget Act, because
28 of budgetary restrictions or requirements, the level of student fees
29 to be assessed in the upcoming academic year differs from those
30 previously approved by the regents or the trustees, the affected
31 governing body shall meet in open public session to discuss and act
32 upon the revised level of student fees. This action shall occur in an
33 open public meeting, and provide an opportunity for interested
34 constituents to comment on the proposed change in student fees.
35 The regents and the trustees shall bear the final and ultimate
36 responsibility for determining the student fees to be assessed.

37 (h) Following the final action of its governing body, each
38 university system shall employ appropriate procedures to notify
39 students of the student fees to be assessed in the upcoming
40 academic year. In addition, each system shall simultaneously



1 provide students with information concerning the availability of
2 student financial aid and the procedures for obtaining that aid in
3 order to assist students with meeting the increased costs of
4 university attendance.

5 (i) As used in this section:

6 (1) “Governing body” refers to the regents or the trustees, as
7 appropriate.

8 (2) “Student Fee” refers to mandatory systemwide resident
9 student fees.

10 (3) “System” refers to the University of California or the
11 California State University, as appropriate.

12 SEC. 4. Section 66024.9 is added to the Education Code, to
13 read:

14 66024.9. (a) The Trustees of the California State University
15 shall, and the Regents of the University of California are requested
16 to, establish a Student Fee Advisory Committee in each of their
17 respective systems. Each Student Fee Advisory Committee shall
18 consist of 11 members of that university community, selected by
19 the trustees or regents, as appropriate, in accordance with all of the
20 following:

21 (1) Six of the members shall be current students.

22 (2) Two of the members shall be current faculty members.

23 (3) Two of the members shall be current administrators.

24 (4) One of the members shall be a staff person who is neither
25 a faculty member nor an administrator.

26 (b) The trustees and the regents are authorized, pursuant to
27 Section 66024.7, to approve student fee increases for their
28 respective systems. However, except as authorized by subdivision
29 (g) of Section 66024.7, neither the trustees nor the regents may
30 approve a proposed mandatory systemwide resident student fee
31 increase without the approval of the appropriate Student Fee
32 Advisory Committee. Prior to approval of a proposed student fee
33 increase, the trustees and the regents shall also provide a timely
34 opportunity for their faculty and staff to express their opinions
35 about the proposal.

36 (c) This section applies only to fees charged to students who are
37 residents within the meaning of Section 68017.

38 SEC. 5. This act shall not become operative unless and until
39 the Regents of the University of California certify, no more than
40 one year after this act is chaptered, to the Secretary of State that

- 1 they have adopted a resolution that makes this act applicable to the
- 2 University of California.

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